



CLOUD SIGNIFICANTLY IMPACTING THE BILLING MARKETS

Billing services and applications are still evolving. Once just used for fixed line voice call billing applications, today solutions need to keep pace with the integration of voice and data applications such as VoIP and cloud based services as well as mobile communications.

Billing services encompass a wider area of operations today. These areas include the function of capturing usage records and depending on the industry it can be call detail records, charging data records, network traffic measurement data, in some cases usage data. Rating consumption to determine factors significant for further calculation, for example, calculating total time of calls for each tariff zone, count of short messages, traffic summary in gigabytes. applying prices, tariffs, discounts, taxes and compiling charges for each customer account, rendering bills, managing

bill delivery, applying adjustments, maintaining of customer accounts. Quite a handful today, especially when you factor in a transition taking place from fixed line and CPE based consumption to an IP based cloud model. Comms Business Magazine talks to key players in the billing services market to see how they are managing this convergence, or digital transformational, play within a single solution and examines the implications for resellers. Let's start by asking:

What has changed in the last 12 months for channel billing solutions? Steve Tutt at VanillaIP, the hosted telephony supplier, says the cloud market is exploding. "Customers are becoming smarter in terms of their understanding of the cloud and what it can enable for them and it is becoming harder for the channel to stand out with a clear message. Billing is becoming more important in this new world because of the varied nature of services and contract terms the channel need to manage."

Darren Salisbury, Director of Inform Billing says, "Over the past year a number of industry requirements and potential influences - such as changes to how non-geographic numbers are charged and reverse charges to VAT - have required billing providers to act quickly and proactively to ensure that both their

software and the way reseller customers use it, remains compliant.

Increasingly resellers need more than just access to billing software, it is the opportunity to access advice, guidance and training to navigate these changes, without additional charge, that sets providers like Inform Billing apart.

There also continues to be a huge increase in demand for cloud based systems. Inform Billing has always given resellers the choice and offered our billing software on both a hosted or 'on premise' basis, but now demand is such that we provide our Eclipse software via the cloud as a matter of course, unless a customer requests otherwise.

Demand for bureau services has also continued over the year with many resellers choosing to outsource all elements of billing to a specialist, freeing up precious time to go out selling and to grow their business. Since launching the service 18 months ago, Inform Billing now provides a bureau service to around 60 customers.

"Whilst we have always supported resellers to become self-sufficient with their billing and increase control and visibility over their customer base, we are finding that more and more resellers are happier to take advice and guidance from us and use our expert bureau billing team as an extension of their own.

Another key observation is the increase in new suppliers entering the market with VoIP and SIP propositions - both start-ups and established IT companies. This growth area highlights the trend for resellers to offer a broader portfolio in order to maximise their income and avoid competing suppliers



Richard Carter of Nimans

from ‘muscling in’ on their customers.”

Vincent Disneur, Head of Sales for Union Street Technologies, also notes the move from on-premise solutions to cloud hosted and web based solutions continues to be a prevalent industry trend.

“Union Street has offered hosting services for around five years now but, over the last twelve months, demand for this service has reached critical mass. We now host our aBILLity billing platform for just over half of our total customer base. The majority of our new partners now choose to deploy aBILLity in our hosted environment, and many more of our existing partners are switching over each month.

To make this service even more attractive for our partners and to ensure its scalability, we have recently deployed a new hosted platform that is powered by Azure, Microsoft’s public cloud. Our new platform delivers many benefits to our partners including market leading standards for data security and availability. Due to the flexible network architecture provided by Azure, we can also monitor and scale up resources effortlessly. This means that no matter how many partners choose to use our hosting services, we can be certain that resources are in place to keep aBILLity running at optimal performance.

The continued reduction of minute based billing in favour of bundled contracts, where the customer is charged a flat fee for their services, has further influenced the development of our solutions. In a world where the customer’s bill is fixed but the CP’s bill is variable, it’s vital that the billing platform provides accurate reporting and in-depth analysis to identify loss making customers. Conversely, CPs need to become proactive about identifying customers that are overspending on a service they don’t use to full potential, switching them to a more appropriate service, or risk losing that lucrative customer to a competitor. Once again, the billing platform needs to provide the tools to identify these customers and in aBILLity we have introduced functionality to flexibly analyse combined margins for calls and services.

Integration continues to be a big driving force behind the development of billing solutions. The benefits available to businesses that successfully integrate

business support systems (BSS) and operational support systems (OSS) cannot be overstated. Union Street has recently developed and introduced REST (Representational State Transfer) APIs that allow third parties to integrate with our platform more easily. In addition to this we continue to provide out of the box integrations for aBILLity with Microsoft Dynamics CRM, Sage and Creditsafe.

Change in 2016 hasn’t just been driven by technology. In an attempt to reduce the impact of certain tax avoidance schemes, on February 1st, the Government introduced new legislation requiring vendors of wholesale communication services to implement a reverse VAT mechanism. Naturally this change in legislation represented a significant challenge to many of our reseller partners. To assist them in complying with the legislation, Union Street acted quickly to update aBILLity with new invoicing features. These included the facility to make customers identified as resellers applicable for reverse charge VAT, to identify charges which qualify for reverse charge VAT, and to calculate and display reverse charge VAT amounts on invoices, separate from regular VAT amounts and invoice totals.”

Stephen Redman, Head of Commercial at Aurora Kendrick James, says the billing market has been busy in the last year contending with a steady stream of regulatory updates, in particular the EU Roaming charges.

“We have also seen a significant shift away from usage to products and packages, which has meant margins on calls in both the fixed and mobile markets have continued to erode. As a billing solution provider we’re working more collaboratively with more of our customers to help them navigate this turbulent time and help them to maintain their competitive advantage as they continue to serve the market.”

Richard Carter, Group Sales & Business Development Director, at distributor Nimans, confirm that in his view the continued rise of new technologies around convergence makes the comms arena and billing in particular more complex and complicated than ever.

“It can be a lot harder to manage. Over the last 12 months the Cloud has gained a much bigger foothold whilst software-based applications and services are also



**Stephen Redman of
Aurora Kendrick James**

growing at the expense of traditional calls and lines. The dynamics of our industry are constantly evolving which has an impact on how revenue is generated and collected. In many ways the Cloud and SaaS has been a game changer.”

Can resellers really handle the converged billing requirements of their customers or should they outsource to experts?

Steve Tutt at VanillaIP says that outsourcing isn’t the silver bullet it might have been 10 years ago.

“This is because the billing needs to be ‘in skin’ and central to the whole provisioning process. The billing requirements have become more complex in that you are not just billing a monthly service and rating calls.

You do not want a disconnect between service delivery and billing. Customer self-service is continuing to drive this where you want to have everything in a single portal. This is the design philosophy behind our development of our Uboss portal which acts as a central hub for consuming, reporting and billing VanillaIP services as well as 3rd party or the resellers own services.”

Darren Salisbury believes that resellers can handle converged billing requirements, on the condition that they have access to a professional and flexible billing platform and the support of a billing specialist.

“Professional billing software, such as Inform Billing’s Eclipse platform, enables resellers to bill a variety of converged products, without a second thought. Many resellers choose to manage their own billing to maximise their control,



**Vincent Disneur
of Union Street**

visibility, profit margins and customer satisfaction.

Our company ethos is to help resellers to be self-sufficient wherever possible, through providing high levels of support and training. However, it really depends on the reseller themselves and if they have the resource internally to manage the process and take full advantage of the full feature set of the billing platform.

Where billing becomes a distraction from another primary function it may be more appropriate to outsource to a billing expert. In this case we provide either a full bureau service or a halfway house - access to a fully featured professional billing platform, yet when the monthly bill cycle comes around it is handled by our experienced and knowledgeable billing team.

The challenge here is less about convergence but more about having the right support mechanisms - partnering with a company who will give the advice and assistance needed as the market continues to converge."

Vincent Disneur at Union Street is clear on this subject when he says, "For many resellers, outsourcing their billing is a no-brainer."

He continues, "Many simply don't have the time, resources or expertise to manage this in-house. Billing has also become increasingly complex in recent years and additional precision is required due to complicated pricing plans, inclusive usage, bundles, mobile tariffs and so on. Mapping what's been sold to what can be billed is becoming harder and harder, so why wouldn't you want a team of billing experts overseeing this process?"

In many cases, outsourcing billing

will also makes sound economic sense. Roughly a third of Union Street's partners have chosen to use our bureau service and many have subsequently reported increases in profitability thanks to the knowledge and skill our team are able to apply to our partners' billing processes.

Although bureau services offer numerous attractive benefits for resellers, we would not agree that resellers can no longer handle the converged billing requirements of their customers. So long as your billing platform is continually developed with tools to manage new and emerging communications services, a skilled billing manager shouldn't struggle to adapt to the pace of change. Managing the billing in-house can also, in some instances, provide additional control over this critical process.

However, for resellers that do choose to manage billing in house, it is vital that the billing personnel are kept up to date with developments to their billing platform, on the best ways to manage new services and on changes to industry regulations that govern CPs. Making training available for billing personnel is therefore essential for any reseller that opts to manage billing in-house. This is why Union Street provides training for beginners all the way through to expert level users of aBILLity with guidance not just on our products, but also on best practices and compliance with industry regulation."

"At the risk of stating the obvious," says Stephen Redman of Aurora Kendrick James, "Resellers need to ensure that they treat all the various products in the marketplace as different, and manage them accordingly. Traditional fixed line, mobile and data services are very different products, but share some common traits. Billing forms only one part of the overall offering but remains key - the most creative product manager is no use if the business can't get a bill out.

At Aurora we encourage our customers to think holistically, and make billing a core part of the product definition process. Our expertise allows us to work with customers to ensure the product they take to market is able to achieve the business objective, and we're also able to feed knowledge into the resellers to help inform their decision making. This collaborative approach

means that the reseller knows enough about billing to be able to meet their customer needs.

The consideration that resellers need to weigh up is who knows their customer and product best. Outsourcing to disparate experts weakens the chain and risks lessening the bond. Resellers need to look at the overall value chain of their operation. An outsourced expert loses value if they don't work with an in-house equivalent."

Nimans Richard Carter notes that some resellers are very capable of handling their own billing whilst others are not.

"It boils down to knowledge and experience, particularly if they are entering new areas such as the Cloud for the first time. Every reseller is at a different stage of the journey and we recognise this which is why we have developed our own bureau billing service. This takes away any pain and hassle for resellers. Whatever communication is being deployed, the ultimate objective is one bill per customer and that's exactly what we do.

If resellers are using us for their connectivity, mobile or cloud-based services then it makes perfect sense for them to embrace our billing too as part of seamless integration. Resellers like to work with a trusted source who they can team-up with for managed services. They can go out and do what they are good at, selling, and leave the rest to us. In many ways collecting income is even more important than selling as cash is the lifeblood of any business."

ED SAYS...

2016 marks a tipping point in billing services where for the first time demand for the measurement of cloud based applications is outstripping the traditional deployment management. So clear has it been from our discussions that the last twelve months has seen game changing developments in this market that we have had to curtail this article to discussing those changes and we will report the remainder of our questions in a complete on line article at www.cbmagazine.co.uk.